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High-Stakes Lobbying on Behalf of Other Nations Grows in Washington Around Aid, Trade Issues

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WASHINGTON — Even though House and Senate conferees were deliberating on a foreign-aid authorization bill in a session closed to lobbyists, Denis Neill and Leslie Janka were lobbying hard for their clients, Egypt, Jordan and Morocco.

Outside the conference room, Mr. Neill, formerly with the Agency for International Development, was meeting with lawmakers and their staff as they emerged, suggesting changes in the bill to help his foreign clients. At the other end of Pennsylvania Avenue, Mr. Janka, a former Reagan administration official, shuttled between the State and Defense departments, urging officials there to weigh in on the congressional debate.

By the time the conferees wrapped up the $12.8 billion foreign-aid bill at 1:30 a.m., just a week before Congress began its summer recess, Messrs. Neill and Janka were delighted that the legislators had watered down a provision to prohibit arms sales to Jordan until it negotiates a peace treaty with Israel. They also were pleased that the conferees didn't reduce aid to Morocco because of its ties to Libya, but did provide for $2.6 billion of funds to Egypt next year.

Lobbying for Countries Grows

Such high-stakes and finely orchestrated lobbying on behalf of countries is growing on a wide range of issues including economic aid, military assistance and international trade. Nations that used to rely on their ambassadors making the rounds on the dinner circuit increasingly are rushing to sign up this town's top lobbyists, including many former high-ranking government officials, and paying retainers of as much as $600,000 a year.

Yet some worry that the growing ranks of lobbyists representing foreign governments are harmful. "By hiring the elite lobbyists, foreign governments can manipulate the administration and Congress to act against our own national interests," charges Joel Lisker, former chief of the Justice Department's foreign-agents unit. "If not against our national security," he says, "against our economic health, with the current trade imbalance as the best example."

With the rapid rise in the numbers of foreign-nation lobbyists, some members of Congress want greater disclosure to the government on their activities. Other lawmakers have asked the U.S. attorney general to investigate some lobbyists' actions on behalf of foreign interests.

Lobbying and law firms predictably are taking advantage of this swelling eagerness by foreign governments and corporations to retain Washington representation. Gray & Co., for example, a big lobbying and public-relations firm here, set up a separate lobbying unit catering to foreign-government clients.

About 850 lobbying firms are registered now with the Justice Department, representing "thousands" of individual lobbyists, according to Mr. Lisker. This number has risen steadily in the past four years, he adds. And more often, high-ranking officials are leaving government and lobbying for foreign interests.

William Colby came out of the Central Intelligence Agency and started representing Singapore, Thailand and Brazil. Reagan campaign operatives Charles Black, Paul Manafort and Roger Stone have signed up Saudi Arabia, Peru, Portugal, the Bahamas, St. Lucia and the Dominican Republic. Stanton Anderson was a deputy assistant secretary of state until he left to start his own firm, now representing Japanese and Brazilian interests. Richard Stone, former U.S. senator from Florida, now lobbies for Taiwan. And William Fulbright, former chairman of the Senate Foreign Relations Committee, has advised Saudi Arabia and the United Arab Emirates.

And the pay is typically higher from these foreign governments than from domestic clients, lobbyists acknowledge. Neill & Co. receives $360,000 from Egypt, $300,000 from Morocco and $260,000 from Jordan as annual retainers. South Africa pays $500,000 a year to John P. Sears, former Reagan campaign director, and $300,000 to the law firm headed by former Sen. George Smathers. Gray & Co. just renegotiated its contract with Turkey, doubling the fee it receives, to $600,000 a year.

"Foreign countries tend to pay bigger fees to lobbyists, because they are more susceptible to big names and past titles," says Thomas Quinn, a Washington lobbyist.

Congress Bewilders Them

Lobbyists say foreign governments generally hire them for help before Congress, because they find it bewildering to accommodate so many members with so varied interests to protect. "Foreign countries think they can handle the State Department, but Congress, on the other hand, is often frustrating to them because one congressman can stop everything," says Joseph Blatchford, former director of the Peace Corps and Commerce Department official, now with the O'Connor & Hannon law firm here.

As foreign-country business heats up, lobbying firms are establishing areas of the world in which they claim to be expert. Neill & Co., for instance, is establishing itself as expert in the Middle East. Edward van Kloberg of Van Kloberg & Associates says his firm "specializes in developing countries and Eastern European countries." His group represents Romania, Iraq and Cameroon.

Yet, some lobbyists refuse to represent countries they fear would hurt their credibility. "We have turned down Libya several times," says Niels Holch, a Gray & Co. vice president. "And we also refused to represent the Nicaraguan freedom fighters." Gray & Co. does represent South Korea, the Cayman Islands, Haiti, Morocco, Saudi Arabia and Turkey.

A group of 14 congressmen recently called on Attorney General Edwin Meese to investigate the foreign-agent disclosures made by the Washington law firm representing Nicaragua. In a letter, the lawmakers asserted that the firm, Reichler & Appelbaum, "may have falsified their recent activities report" by failing to disclose that they "initiated, facilitated and assisted in the production and dissemination" of two reports alleging human-rights violations by Nicaragua's anti-government resistance forces.

Paul Reichler says his firm isn't required to report that it initiated and helped carry out the reports; disclosure is required only if he disseminated the reports, and he didn't, he says. The letter to the attorney general "is obviously a political statement for 14 apologists for the Contras," he asserts.

While representing foreign governments is generally very profitable, there can be surprises, as Mr. Blatchford, the former Commerce Department official, found. Hired by then-President Nimeiri of the Sudan, he lost the lobbying contract abruptly when a military coup occurred early this summer. "My clients don't drop me; they get overthrown," quips Mr. Blatchford. "The next foreign country that retains me, I'm going to ask for the fee upfront."

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